

SOUTH DAKOTA STATE RAILROAD BOARD MEETING

April 20, 2016 @ 9:00 AM
Oacoma Community Center
Oacoma, South Dakota

MEMBERS: Todd Yeaton, Chair
Carl Anderson via phone
Jeff Burket
Jerry Cope
Sheldon Cotton
Gary Doering
Harlan Quenzer

OTHERS: Tub Harrington, Lucy Halverson, Jim Marker, Terry Carter, Matt Windsand, Blake Jones, Brad Ouitt, Brian Hammerbeck, Alex Huff, Chris Brozik, Dick Huff, Jack Parliament, Jeff Cooley, and Lester Thomspson.

Staff: Joel Jundt, Bruce Lindholm, Karla Engle, Lynn Kennison, Misty Siedschlaw (via phone), and Bonnie Olson (via phone)

PHONE: Bob Mercer and Matt Konenkamp

Agenda Items:

Call to order

- 1) Approve the minutes of meeting on March 16, 2016
- 2) Consideration of Dakota Plains Ag connection to mainline near Napa Junction
- 3) Consideration of Pennington Weed Spraying contract
- 4) Consideration of weed spraying between Ravinia and Platte
- 5) Consideration of bridge timber salvage
- 6) Update on MRC operations-Mike Williams
- 7) Discussion on MRC committee report
- 8) Update on MRC line project

Chair Yeaton called the regular meeting of the South Dakota State Railroad Board (the "Board") to order at 9:00 AM with a quorum present.

- 1) Motion by Cotton, second by Quenzer, to approve the March 16, 2016, Railroad Board meeting minutes. Motion carried by roll call vote (all aye).

Bruce Lindholm, Office of Air, Rail, and Transit

2) Consideration of Dakota Plains Ag connection to mainline near Napa Junction

Lindholm provided information to the Board regarding a request received from Dakota Plains Ag Center, LLC for the Board's approval to connect to the Napa Platte Line at Napa Junction. The connection would be just west of the Napa Wye. Dakota Plains Ag Center, LLC will also connect directly to the BNSF mainline. Dakota Plains Ag Center, LLC is requesting this connection in order to have access to other markets and for operational flexibility.

Motion by Burket, second by Anderson to authorize the Department to prepare and execute an agreement with Dakota Plains Ag Center, LLC allowing a rail connection to the Napa to Platte mainline west of the Napa Wye.

Motion carried by roll call vote (all aye)

3) Consideration of Pennington Weed Spraying contract

The Department of Transportation (the "Department") is requesting the Board's approval to enter into a contract with Pennington County, South Dakota for weed control on the portion of the line from Kadoka to Rapid City. The approximate cost of this work is \$6,000.

Motion by Cotton, second by Quenzer to authorize the Department to enter into a contract with Pennington County, South Dakota, for weed control services.

Motion carried by roll call vote (all aye)

4) Consideration of weed spraying between Ravinia and Platte

The Department is requesting the Board's approval to enter into a contract for weed control on the portion of the Napa-Platte line from Ravinia to Platte. The approximate cost of this work is \$15,000.

Motion by Cope, second by Burket to authorize the Department to enter into a contract for weed control services on the portion of the Napa-Platte line between Ravinia and Platte.

Motion carried by roll call vote (all aye).

5) Consideration of bridge timber salvage

The Department is requesting the Board to declare the long bridge ties removed from the Missouri River bridge and the stringer ends from the smaller bridges to be excess to the needs of the State of South Dakota and authorize the sale of the excess materials by public bid. The long ties are 9"X11.5" and come in lengths of 15 to 20 feet. There are approximately 750 of these long ties. The stringer ends are 11" X17" and are various lengths. These stringer ends are from new stringers that had to be shortened to fit onto a bridge. There are a number of these and would make good blocking for a variety of projects.

Motion by Burket, second by Quenzer to declare the long bridge ties off the Missouri River bridge and the stringer ends off the smaller bridges to be excess to the needs of the State and direct the Department to advertise for bids for the sale of these excess salvage materials.

Motion carried by roll call vote (all aye).

6) Update on MRC operations-Mike Williams

Lester Thompson and Terry Carter, representatives of Dakota Southern Railway Company ("DSRC"), addressed the Board on behalf of Mike Williams and DSRC. Thompson updated the Board on MRC operations.

- No current car count for 2016
- Working on Titerton siding maintenance
- Bridges are being upgraded to FRA load rating, project is scheduled for completion September 2016
- No start date for moving ballast
- Waiting for Rail Works ballast cars
- Short discussion on scheduling maintenance crews
- A ballast regulator operator and tamper operator have been scheduled to arrive and begin operations to surface and line the rail east of Chamberlain.

7) Discussion on MRC committee report

A committee of the Board, consisting of Doering, Cope, and Quenzer, along with Department staff, made observations of the condition of the MRC rail line and provided the Board with a summary of their observations.

At the direction of the Board, the committee's written report is attached to these meeting minutes as **Attachment A**.

8) Update on MRC line project

Lindholm updated the Board on the status of the MRC project. There are a few punch list items to finish up by end of day April 21, 2016. All the salvage or junk

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bridge timbers are being removed. Small segments of line are being completed at a time.

The meeting was adjourned at 10:05 AM upon a motion for adjournment by Cope, second by Doering.

Next meeting is scheduled for May 18, 2016, at 11:00 AM.

DRAFT

MRC COMMITTEE REPORT

General observations:

1. The first three miles on the east end from MP 375 to MP 378:
 - a. This segment was built as an “in kind” investment by the DSRC:
 - b. There is:
 - a significant lack of ballast;
 - excessive weed growth;
 - skeletonized cribbing; and
 - broken ties.
 - c. One of the worst looking sections of the line.
2. Rail line from Mitchell to Gavilon: (The TIGER Grant Phase I construction started at MP 378)
 - a. Vegetation growing in ballast between rails in many locations;
 - b. Areas where trees and brush should be cut back and / or removed;
 - c. Visible gap between bottom of rail and top of ballast in some locations;
 - d. Apparent horizontal movement of ties perpendicular to the rail lines in some locations;
 - e. Spaces between ends of ties and adjacent dirt (not ballast) indicating horizontal movement
 - f. Apparent horizontal movement of ties transverse to (in line with) the rail lines in some locations;
 - g. Spaces between sides of ties and adjacent dirt (not ballast) indicating horizontal movement
 - h. Spaces between the bottom of the plates and the top of the ties indicating vertical movement of the ties
 - i. Obvious lack of ballast outside of rails at end of ties and on shoulders in some locations;
 - j. Horizontal misalignment of rail is visible at numerous locations;
 - High rail pickup weaved back and forth rather abruptly
 - While may not be so severe as to cause hazard at this time, the misalignment is visible to the eye without the need for alignment equipment.
 - Misalignment can cause rail car rocking which will exacerbate the horizontal misalignment in the future
 - k. Vertical misalignment of rail is visible at numerous locations;
 - High rail pickup weaved back and forth rather abruptly.
 - While may not be so severe as to cause hazard at this time, the misalignment is visible to the eye without the need for alignment equipment
 - Misalignment can cause rail car rocking which will exacerbate the vertical misalignment in the future

- l. Differences in cross elevation noted at numerous locations;
 - m. Some broken ties visible at numerous locations;
 - n. Broken ties need to be replaced
 - o. Some loose rail spikes evident at various locations indicating aged ties in need of replacement;
 - p. Areas where ballast was placed but not tamped into place; and
 - q. Some piles of waste material observed that can and should be salvaged or removed and disposed; and
 - r. Old equipment sitting along the rail line that appears to have not been used for several years.
3. Rail line from Gavilon to Pukwana:
- a. Vegetation growing in ballast between rails in some locations; and
 - b. Visually appears to be generally in good condition.
4. Dakota Southern Rail Yard:
- a. What a mess!!!!;
 - b. Waste ties piled in ravine should be removed and disposed; and
 - c. Waste rail and other iron piled at various locations should be segregated and stored in a single location until it can be removed and disposed.